

MEMORANDUM

TO: Leominster Retirement Board

FROM: Joseph E. Connarton, Executive Director

RE: Approval of Funding Schedule and Revised Appropriation for Fiscal Year 2015

DATE: June 24, 2014

Revised Appropriation for FY15: **\$8,687,572**

This Commission is hereby furnishing you with the amount to be appropriated for your retirement system for Fiscal Year 2015, which commences July 1, 2014.

This amount revises the appropriation amount shown in our December 9, 2013 letter based on the funding schedule recently adopted by the Board (copy enclosed). The schedule assumes payment is made on July 1 of each fiscal year. The schedule is effective in FY15 and is acceptable under Chapter 32.

The revised allocation by governmental unit was determined by Stone Consulting, Inc. and is attached.

The appropriation is based on an actuarial valuation using a conservative investment return assumption of 5.5% adopted by the Board. Our understanding is that the Stone Consulting valuation report will also address plan liabilities using a somewhat higher investment return assumption.

If you have any questions, please contact PERAC's Actuary, Jim Lamenzo, at (617) 666 - 4446, extension 921.



Leominster Retirement System
Funding Schedule

Fiscal Year	Normal Cost	Unfunded Liability	Funding Amortization of UAL	Net 3(8)(c) Payments	Schedule Contribution
2015	2,656,403	39,951,649	5,978,130	53,039	8,687,572
2016	2,756,018	35,842,062	5,978,130	53,039	8,787,188
2017	2,859,369	31,506,448	5,978,130	53,039	8,890,538
2018	2,966,595	26,932,375	5,978,130	53,039	8,997,765
2019	3,077,842	22,106,728	5,978,130	53,039	9,109,012
2020	3,193,262	17,015,670	5,978,130	53,039	9,224,431
2021	3,313,009	11,644,605	5,978,130	53,039	9,344,178
2022	3,437,247	5,978,130	5,978,130	53,039	9,468,416
2023	3,566,143	0	-	53,039	3,619,182

Amortization of Unfunded Liability as of July 1, 2014

Year	Type	Original Amort. Amount	Percentage Increasing	Original # of Years	Current Amort. Amount	Years Remaining
2015	Fresh Start	5,978,130	0%	8	5,978,130	8

Leominster Retirement Board
Appropriation by Government Unit

Fiscal Year 2015 - July 1, 2014 to June 30, 2015

Aggregate amount of appropriation: \$8,687,572*

UNIT	Percent of Aggregate Amount	Funding Schedule (excluding ERI)	ERI	Total Appropriation
City of Leominster	91.56%	\$7,954,341	\$0	\$7,954,341
Housing Authority	3.58%	\$311,015	\$0	\$311,015
Water Enterprise	3.02%	\$262,365	\$0	\$262,365
Sewer Enterprise	1.84%	\$159,851	\$0	\$159,851
Total	100%	\$8,687,572	\$0	\$8,687,572

* Based on 5.5% Discount Rate and 8 year amortization with 0% increases